as defaulters and have become ineligible for fresh credit from lending institutions The scheme would enable such farmers to settle their accounts in a transparent manner and thereafter, access fresh credit. Accordingly, RBI has advised all scheduled commercial banks including public sector banks to formulate guidelines, with the approval of their boards of Directors, on OTS for small and marginal farmers The Indian Banks' Association (IBA) had advised banks to complete the exercise of notifying such defaulters of the OTS guidelines by August 31, 2004 All applications for OTS have to be processed within one month of the receipt of the same Banks are to ensure that settlement is done without discrimination and in a transparent manner so that farmers can access fresh credit

Enhancement of Bank credit in Maharashtra

2178 SHRI RAJKUMAR DHOOT Will the Minister of FINANCE be pleased to state

(a) whether it is a fact that Mumbai has only 2 4 percent growth in bank credit against 31 8 percent of Bangalore despite Mumbai's position as financial capital of India with its historical, geographical and natural harbour advantages,

(b) if so, the reasons therefor, and

(c) the steps being taken by Government to restore Mumbai's position in bank credit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S S PALANIMANICKAM) (a) No, Sir. The annual growth rate of credit based on gross bank credit in respect of Mumbai and Bangalore was 10 5% and 31 6% respectively during the year 2003-04 and 12.2% and 23 5% respectively in 2002-03

(b) and (c) The rate of credit growth of a State/city generally depends on the extent of credit requirements in a particular year, which varies from year to year